

Opening Balances for Inventory, Operating Materials and Supplies (OM&S) and Stockpile
Materials

Question for Respondents – MsWord Version

- Q1. The Board proposes a reporting entity be permitted to apply an alternative valuation method in establishing opening balances for inventory, operating materials and supplies (OM&S), and stockpile materials when presenting financial statements or one or more line items addressed by this Statement following generally accepted accounting principles (GAAP) promulgated by the Federal Accounting Standards Advisory Board (FASAB) either (1) for the first-time or (2) after a period during which existing systems could not provide the information necessary for producing such GAAP-based financial statements without use of the alternative valuation method.

The proposed Statement describes the alternative valuation method, disclosures, and amendments to SFFAS 3, *Accounting for Inventory and Related Property*.

Do you agree or disagree with the proposed standards? Please provide your rationale.

VA has reviewed the exposure draft and supports the adoption of this standard by FASAB. However, historical records and systems employed by VA provide an adequate basis for determining the opening balance valuation of inventory and therefore will not be utilized by VA.